

Portfolio Review

Investment Review - Allocation 10/31/2010

Investment Advisor	Investment Option	Ending Balance
	Large U.S. Equity	
	Large Value	
AllianceBernstein / Westwood	LargeCap Value III Separate Account-R6 ^{3, 14, 19, 28}	\$3,173,413
UBS / TS&W	LargeCap Value I Separate Account-R6 ^{13, 28, 32}	\$5,752,672
	Large Blend	
Principal Global Investors	LargeCap S&P 500 Index Separate Account-R6 ^{2, 8}	\$4,089,621
	Large Growth	
Columbus Circle Investors	LargeCap Growth Separate Account-R6	\$4,830,322
T. Rowe Price/Brown Advisory	LargeCap Growth I Separate Account-R6 ^{3, 23, 28, 30}	\$4,936,783
	Small/Mid U.S. Equity	
	Mid Cap Value	
Principal Global/Barrow Hanley	MidCap Value III Separate Account-R6 ¹	\$1,172,800
	Mid Cap Growth	
Turner/Mellon/Jacobs Levy	MidCap Growth III Separate Account-R6 ^{1, 11, 28}	\$1,188,998
	Small Value	
DFA/Vaughan Nelson/LA Capital	SmallCap Value II Separate Account-R6 ^{1, 13, 23, 26, 28}	\$1,138,630
	Small Growth	
Emerald / Essex	SmallCap Growth II Separate Account-R6 ^{1, 3, 28, 29}	\$1,164,527
	Real Estate	
Principal Real Estate Inv	Real Estate Securities Separate Account-R6 ^{3, 7}	\$1,507,007
	International Equity	
	Diversified Emerging Markets	
Principal Global Investors	International Emerging Markets Separate Account-R6 ⁴	\$935,207
	Foreign Large Value	
Causeway / Barrow Hanley	International Value I Separate Account-R6 ^{4, 13, 28, 34}	\$2,447,720
	Foreign Large Blend	
Fidelity / Schroders	International I Separate Account-R6 ^{4, 13, 16, 28, 33}	\$2,423,822
	Foreign Large Growth	
Principal Global Investors	International Growth Separate Account-R6 ^{3, 4}	\$2,565,961
	Fixed Income	
	High Yield Bond	
JP Morgan/Neuberger Berman	High Yield I Separate Account-R6 ^{5, 13, 15, 17, 18}	\$2,918,166
	Intermediate-Term Bond	
PIMCO	Core Plus Bond I Separate Account-R6 ^{13, 15, 18}	\$7,318,179
Principal Global Investors	Bond and Mortgage Separate Account-I2 ^{15, 18}	\$3,596,441
	Inflation-Protected Bond	
BlackRock Financial Mgmt, Inc.	Inflation Protection Separate Account-R6 ^{13, 15, 18, 20}	\$3,149,005

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	Owned Real Estate	
Principal Real Estate Inv	U.S. Property Separate Account-R6 ³⁶	\$2,748,241
TOTAL		\$57,057,515

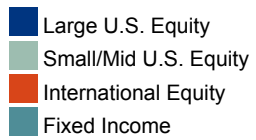
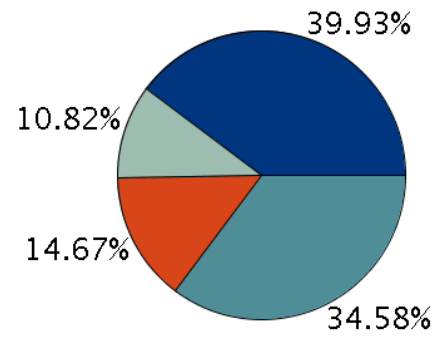
Please see important disclosures at the end of this presentation.



Portfolio Review

Asset Class Breakdown

Ending % As Of 10/31/2010



Disclosures

This information must be accompanied by performance results for 1, 5, and 10 year/since inception time periods as of the most recent calendar quarter end.

Sub-advised Investment Options include Separate Accounts available through a group annuity contract with the Principal Life Insurance Company. Insurance products and plan administrative services are provided by Principal Life Insurance Company a member of the Principal Financial Group, Des Moines, IA 50392. See the group annuity contract for the full name of the Separate Account. Certain investment options may not be available in all states or U.S. commonwealths.

Returns shown for periods of less than one year are not annualized. All returns displayed here are after Total Investment Expense of the investment option.

Separate Accounts are made available through a group annuity contract with the Principal Life Insurance Company, Des Moines, IA 50392. They may not be available in all states. Ask your representative for more details.

- 1. Small-cap and mid-cap investment options are subject to more fluctuation in value and may have additional risks than other investment options with stocks of larger, more stable companies.*
- 2. Each index based investment option is invested in the stocks or bonds of the index it tracks. Performance of indexes reflects the unmanaged results for the market segment the selected stocks or bonds represent. There is no assurance an index based investment option will match the performance of the index tracked.*
- 3. This Separate Account invests solely in the Institutional class shares of the Principal Funds. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund.*
- 4. International and global investment options are subject to additional risk due to fluctuating exchange rates, foreign accounting and financial policies, and other economic and political environments.*
- 5. High yield investment options are subject to greater credit risk associated with high yield bonds.*
- 6. This investment option is not guaranteed by the Federal Deposit Insurance Corporation (FDIC), or any other government agency. Although this investment option seeks to preserve the value of an investment, it is possible to lose money by investing in this portfolio.*
- 7. Real estate investment options are subject to some risks inherent in real estate and Real Estate Investment Trusts, such as risks associated with general and local economic conditions.*
- 8. S&P 500 is a trademark of The McGraw-Hill Companies, Inc., and has been licensed for use by Principal Life Insurance Company and Principal Management Corporation. The product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the product.*
- 9. Effective November 13, 2006, this portfolio is sub-advised by Goldman Sachs Asset Management. From November 18, 2002, to November 16, 2006, the portfolio was sub-advised by Goldman Sachs Asset Management and Wellington Management Company, LLP. The portfolio has had various sub-advisors since its inception. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.*
- 11. This Separate Account invests solely in the Institutional class shares of the Principal Funds. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holder investing in the Separate Account. For further information on the underlying mutual fund see the prospectus of the fund.*
- 13. This Separate Account invests solely in the Institutional class shares of the Principal Funds. All voting rights associated with ownership of shares in the mutual fund are the rights of the Separate Account, not of contract holders investing in the Separate Account. For further information on the underlying mutual fund, see the prospectus of the fund.*

14. From March 1, 2006, to December 31, 2007, Bank of New York served as a sub-advisor for managing the cash portion of this investment option.
15. Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise. Neither the principal of bond investment options nor their yields are guaranteed by the U.S. government.
16. Effective March 31, 2007, references to Fidelity Management & Research as investment advisor were replaced with Fidelity (Pyramis Global Adv). This is a name change only and does not affect the management, objective, or strategy of this investment option.
17. Effective January 2, 2008, this portfolio is co-sub-advised by JP Morgan and Neuberger Berman Fixed Income LLC (formerly named Lehman Brothers Asset Management). Prior to January 2, 2008 Post Advisory Group was a third sub-advisor for this portfolio. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.
18. Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure.
19. Effective July 15, 2008, Westwood Management Corp. was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.
20. Effective December 31, 2008, this portfolio is sub-advised by BlackRock Financial Management, Inc. Prior to December 31, 2008, the portfolio was sub-advised by Principal Global Investors.
22. Principal Life Insurance Company may voluntarily waive a certain portion of its fees collected from the Money Market Separate Account on a temporary basis. The Total Investment Expense - Net may be lower when fees are waived.
23. This investment option maintains a voluntary waiver which is reflected in the value displayed for Total Investment Expense - Net. This waiver may be discontinued at any time.
24. The Money Market investment option is closed to new sales and existing clients not currently offering the option within their retirement plans, effective April 1, 2009. Existing clients already offering the money market investment option within their plan can continue to have contributions directed to this investment option at this time. As of July 1, 2009 the money market investment option will be closed for any client that does not have retirement funds in the investment on that date.
26. Effective May 1, 2009, LA Capital was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.
28. This Separate Account invests solely in the Institutional class share of a mutual fund (Fund) from Principal Funds, Inc. The manager of the Fund, Principal Management Corporation, invests between 10% and 40% of the Fund's assets in common stocks in an attempt to match or exceed the performance of the Fund's benchmark index for performance.
29. Effective June 26, 2009, this portfolio is sub-advised by Emerald Advisors and Essex. Prior to June 26, 2009, the portfolio was sub-advised by UBS Global Asset Management, Emerald Advisors and Essex. The portfolio has had various sub-advisors since its inception. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.
30. Effective July 14, 2009, Brown Advisory was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.
32. Effective October 1, 2009, TS&W was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.
33. Effective January 11, 2010, Schroders was added as an additional sub-advisor. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.

34. Effective August 10, 2010, this portfolio is sub-advised by Causeway and Barrow Hanley. Prior to August 10, 2010, the portfolio was sub-advised by AXA Rosenberg and Causeway. The portfolio has had various sub-advisors since its inception. Performance results displayed reflect all sub-advisors managing this portfolio during the time periods displayed.

36. This investment option is subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general and local economic conditions. If you elect to contribute funds into the U.S. Property Separate Account, you may not be able to immediately withdraw them.

Glossary of Terms

Investment Advisor - A company employed by the investment option's advisor to handle the investment option's day-to-day management. In these instances, the portfolio manager generally works for the fund's subadvisor, and not the advisor.